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UNITED STATES DEPARTMENT OF AGRICULTURE

Agricultural Stabilization and Conservation Service

ASCS Commodity Fact Sheet

1979 Rice

March 1979

RICE

Summary of 1979 Program and Related Information

Legislative
Authority:

The Food and Agriculture Act of 1977, Public Law 95-113, approved September 29, 1977. The Act amends sections relative to rice in the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, that included those concerned with allotments, marketing quotas and penalties, producer referendum and price support methods. The 1977 Act amends Section 101 of Public Law 94-214, the "Rice Production Act of 1975," by making section 101 applicable to the 1979-crop of rice.

The rice program is carried out through loans, purchases and, as required, deficiency and disaster payments to cooperators in the program.

Program participation is voluntary.

A cooperator is a person who produces rice on a farm for which a farm acreage allotment has been established or to which a producer acreage allotment has been allocated and, if a set-aside is in effect, who has set aside any acreage required.

Allotments:

The national acreage allotment is 1,800,000 acres. The national acreage allotment is apportioned by the Secretary to farms, and in producer States and administrative areas to producers, on the basis of rice allotments established for the 1975 crop. Marketing quotas and penalties are suspended for the 1979 rice crop year.

Rice allotments do not represent a limit on the rice acreage that may be planted. The allotment will be used only to compute payments in the event target price or disaster payments are due, and serve as a basis for determining loan eligibility. Although loan and payment eligibility will be limited to a quantity of rice equal to the yield established for the farm times that part of the allotment planted to rice,

an allotment holder may plant in excess of the allotment and still maintain the allotment holder's eligibility. A producer with no rice allotment may produce and market rice, but will not be eligible for loans, target price payments or disaster payments. A State reserve of not more than 1 percent of the State allotment may be withheld for new growers, adjustments and corrections.

Failure to plant at least 90 percent of the allotment to rice, or a crop designated by the Secretary as an eligible substitute, will result in loss of allotment not to exceed 20 percent in any one year. After two consecutive years of zero planting, the allotment will be removed.

Farmers prevented from planting because of natural disaster, or conditions beyond their control, will not lose their allotments.

For allotment preservation purposes, any annual non-conserving crop (excluded marketing quota crops), or conserving crops used for hay or silage, or approved vegetative cover on cropland can be credited as an acreage of rice for allotment preservation. However, on a completely idle farm, the producer must agree to forfeit program payments to protect allotment history.

Any part of the farm rice allotment acreage on which rice will not be planted may be voluntarily surrendered to the county committee. The allotment acreage surrendered will protect the history for the farm from which it is surrendered. The county committee may reapportion the surrendered allotment to other farms within the county.

An allotment may be leased to another person in the State (within the same administrative area in Louisiana) who will be actively engaged in producing rice. The allotment may also be sold. The per-acre leasing or selling price is determined by the allotment holder and the lessee or buyer.

Established
Yield:

The 1979 yield established for a farm will be an average of the actual harvested yield per acre for the 1976, 1977, and 1978 crops of rice. If the yield in any one of the 3 years is abnormally low because of natural disaster, the yield for that year may be adjusted.

Set-Aside
Requirement:

There are no set-aside requirements or land diversion payments for the 1979-crop rice. However, if a rice allotment holder plants a set-aside crop (wheat, corn sorghum or barley) the rice allotment holder must comply with all set-aside requirements to be eligible for the 1979 rice program benefits.

Loans and
Purchases:

The loan rate to cooperators for the 1979 rice program is \$6.79 per hundredweight. The 1979 loan and purchase rate, as required by law, bears the same ratio to the 1978-crop loan and purchase rate as the 1979-crop target price bears to the 1978-crop target price.

Only producers with rice allotments are eligible for rice loans. Eligible producers may obtain loans on the amount of rice equal to the allotment multiplied by the established farm yield.

Loans are available through ASC county offices from harvest time through March 31, 1980. Loans mature on demand, but not later than April 30, 1980.

Loan rates to producers are based on whole kernel rice loan rates for long, medium and short grain rice and on a broken rice loan rate. These rates are further adjusted for quality premiums and discounts and for location differentials.

Rice may be purchased by CCC from eligible producers at the loan rate, adjusted for premiums and discounts for quality, and other provisions under the program.

Established
or
Target Price:

The target price is 9.05 per hundredweight. By law, the 1979 target price is the 1978 target price (8.53 per hundredweight) adjusted for the change in the two-year moving average of variable, machinery and overhead costs for producing rice.

Target price payments will be made if the national average weighted market price received by farmers during the first 5 months of the marketing year (August through December) is less than the target price. The payment rate will be computed by subtracting from the target price the higher of (1) the average price received by farmers, or (2) the loan level.

Disaster
Payments:

Prevented planting: If, because of a natural disaster, a producer is prevented from planting an acreage of rice or other non-conserving crop, at least equal to the farm's rice allotment, the farmer may be eligible for a payment at the disaster payment rate which is equal to one-third of the target price. The total payment is figured by multiplying the number of affected acres by the established farm yield, then multiplying this figure by the disaster payment rate.

Abnormally low yield: A producer may receive a low yield payment equal to one-third of the target price on any loss, due to a natural disaster, of allotment production below 75 percent of the established farm yield times allotment acreage planted for harvest.

Payment
Limitations:

The total amount of payments which a person can receive during a crop year under the rice program cannot exceed \$50,000. This limitation does not apply to loans, purchases, or disaster payments.

CCC Sales
Policy:

The CCC sales policy for 1979-crop rice had not been determined as of March 1979.

Crop Year	Production (million cwt.)	National Average Support Price (per cwt.)	RICE Average Price to Farmers (per cwt.)		Farm Value (Million dollars)	Government Payments (Million dollars)	2/
1941	23.1	\$2.04	\$3.01		\$ 69.6	\$3.3	Conservation
1942	29.1	2.33	3.61		105.1	.5	& Parity
1943	29.3	1/	3.96		116.0	.6	
1944	31.0	1/	3.93		121.6		
1945	30.7	2.82	3.98		122.1		
1946	32.5	1/	5.00		162.6		
1947	35.2	3.76	5.97		210.3		
1948	38.3	4.08	4.88		186.7		
1949	40.8	3.96	4.10		167.2		
1950	38.8	4.56	5.09		197.4		
1951	46.1	5.00	4.82		222.3		
1952	48.2	5.04	5.87		282.9		
1953	52.8	4.84	5.19		274.1		
1954	64.2	4.92	4.57		293.0		
1955	55.9	4.66	4.81		268.5		
1956	49.5	4.57	4.86		240.3	1.3	Acr. Res.
1957	42.9	4.72	5.11		219.5	14.9	Soil Bank
1958	44.8	4.42	4.68		209.4	12.0	
1959	53.6	4.38	4.59		246.3		
1960	54.6	4.48	4.55		248.4		
1961	54.2	4.71	5.14		278.6		
1962	66.0	4.71	5.04		332.6		
1963	70.3	4.71	5.01		352.2		
1964	73.2	4.71	4.90		358.6		
1965	76.3	4.50	4.93		376.2		
1966	85.0	4.50	4.95		421.0		
1967	89.4	4.55	4.97		444.0		
1968	104.1	4.60	5.00		520.5		
1969	90.9	4.72	4.95		447.2		
1970	83.8	4.86	5.17		433.2		
1971	85.8	5.07	5.34		458.2		
1972	85.4	5.27	6.73		574.9		
1973	92.8	6.07	13.80		1,280.0		
1974	112.4	7.54	11.20		1,261.4		
1975	128.4	8.52	8.35		1,067.7		
1976	115.6	8.25a-6.19b	7.02		811.4	128.3	Deficiency
1977	99.2	8.25a-6.19b	9.49		941.2		
1978	137.8	8.53a-6.40b	7.69c		1,059.7		
1979		9.05a-6.79b	--				

1/ Support was mandatory at 90 percent of parity, but since prices were well above support, loan rates were not announced.

2/ Conservation payments were made to rice producers amounting to \$9.6 million in 1935, \$2.6 million in 1936, \$2.8 million in 1937, and \$2.0 million in 1938, and conservation and parity payments amounting to \$3.3 million in 1939 and \$2.2 million in 1940.

a. Established target price, guaranteed on production from farm allotment times the farm's established yield.

b. Loan rate.

c. Preliminary season average price--national weighted average price received by farmers during the first five months of the marketing year was less than the established price. Thus, payments will be made.

